

## Annual press and analysts' conference

6 March 2014

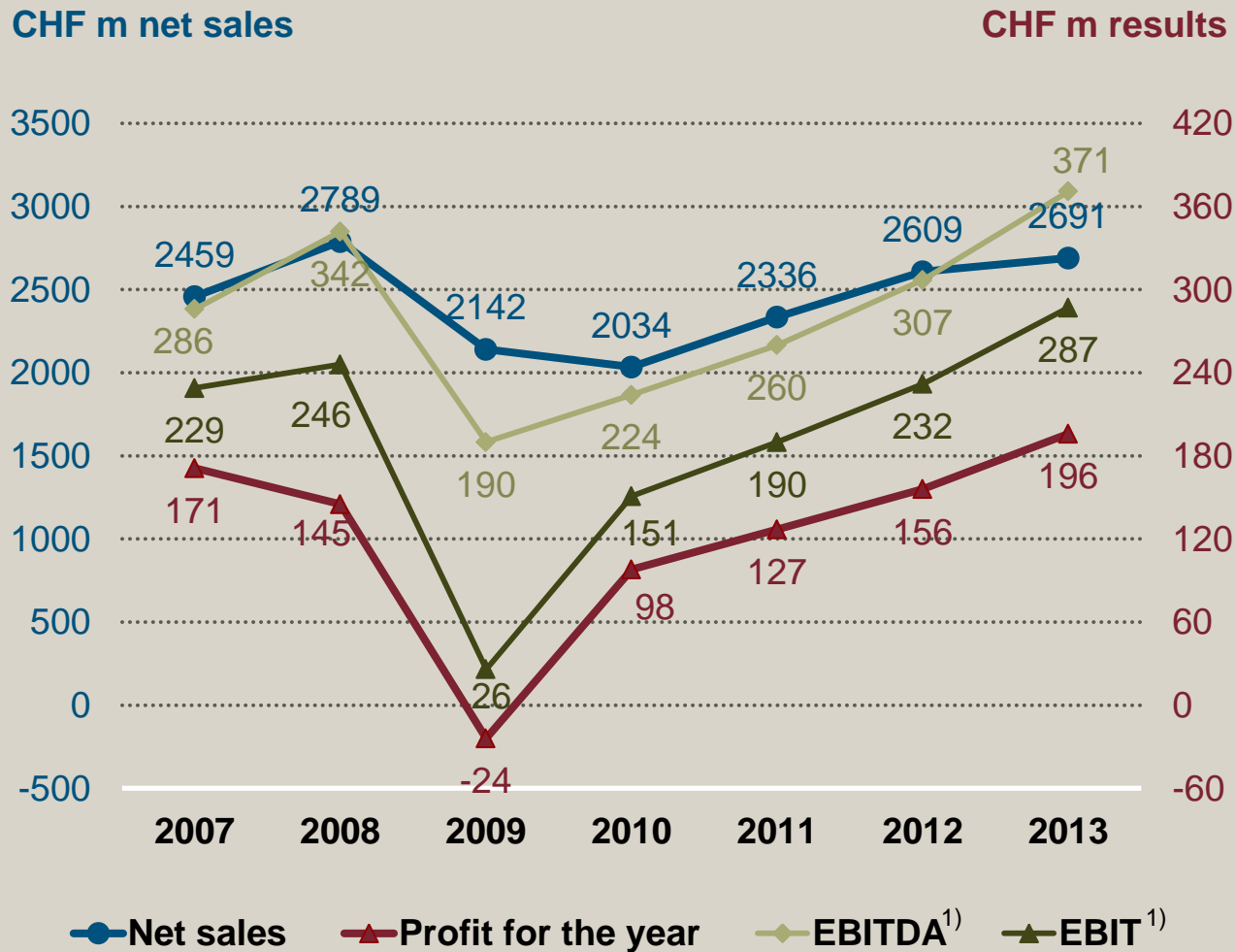


- Favourable market environment
  - Good conditions at high level for agricultural machinery
  - Low but stable demand for municipal vehicles
  - Upturn in demand and sales growth through acquisitions at Bucher Hydraulics and Bucher Specials
  - Subdued first half, picking up in second half in glass-forming machinery
  - Good market conditions in fruit juice processing equipment
- Entry into automation technology through takeover of Jetter AG by public offering; at year-end Bucher held 77.35% of the equity
- Best result in the company's history
  - EBIT margin of 10.7%
  - Profit for the year of CHF 196 million
  - Earnings per share increase by 27% to CHF 19.64

- Continuity in investments
  - CHF 137 million for internal growth
  - CHF 63 million for acquisitions at Bucher Hydraulics and Bucher Specials
- Solid financial situation
  - Operating free cash flow of CHF 92 million
  - Zero net debt at the end of 2013
  - Increase in equity ratio from 39% to 44%
  - Great financial scope for internal and external growth

# Net sales and results

**BUCHER**

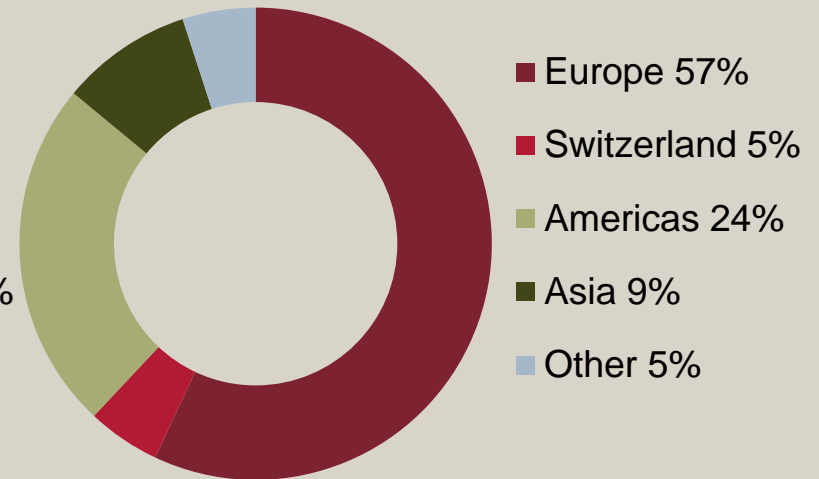
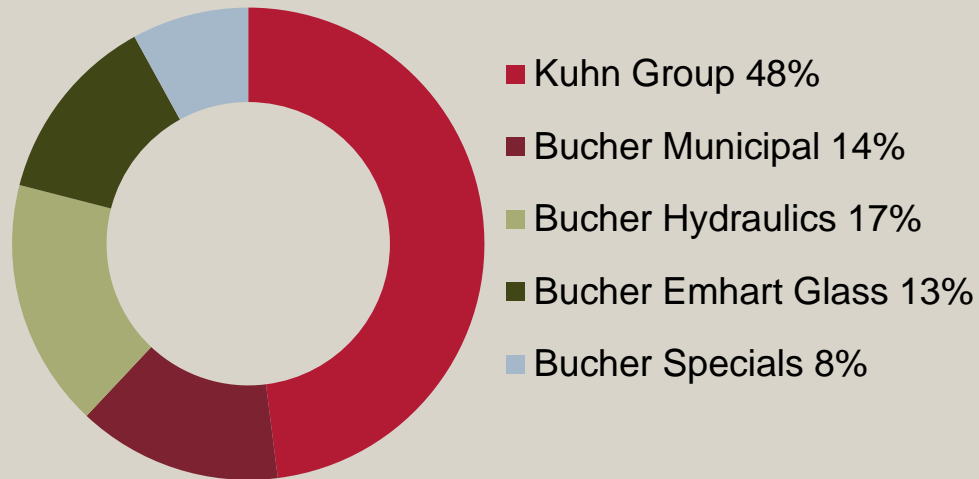


<sup>1)</sup> 2012: retrospective restatement owing to first application of IAS 19 (revised)

# Net sales by division and region 2013

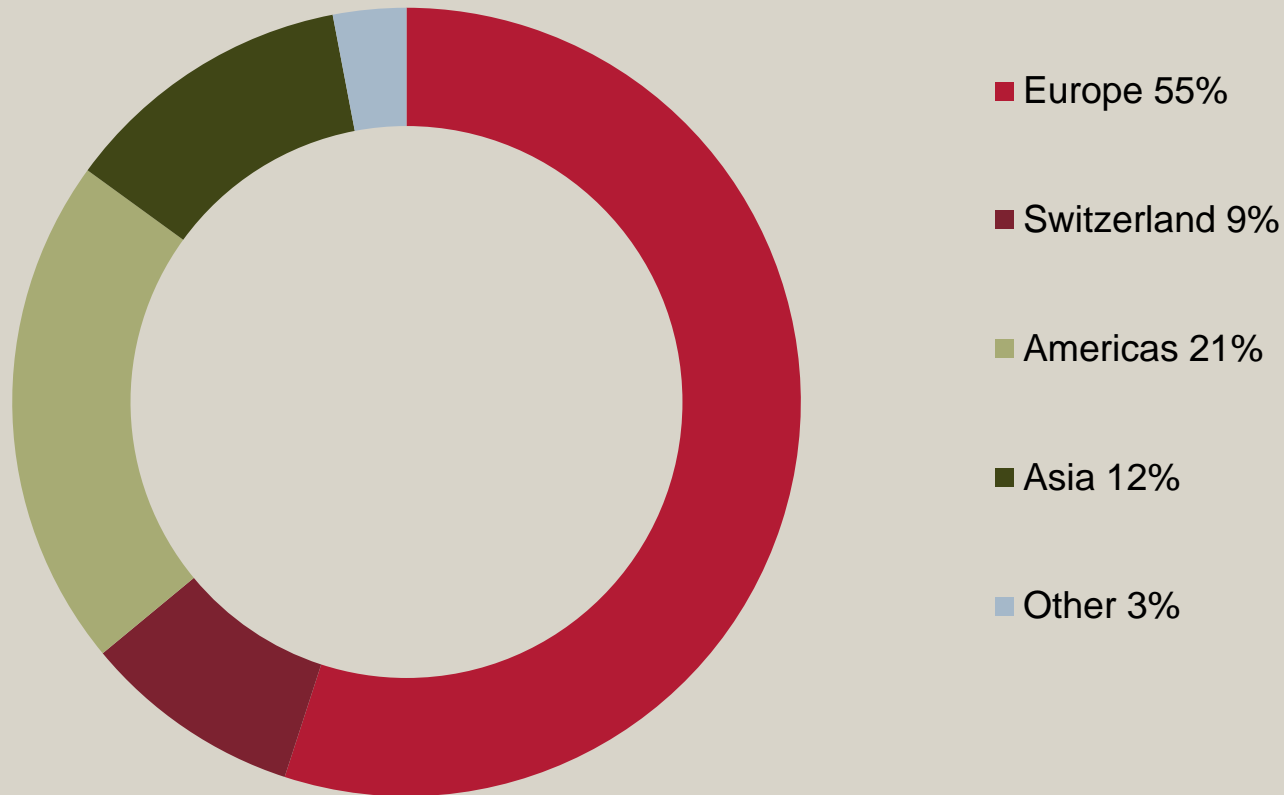
**BUCHER**

CHF 2 691 million



# Numer of employees by region 2013

Total 10 916 employees<sup>1)</sup>



<sup>1)</sup> Expressed as full time equivalents

# Investing in the future

CHF million	2013	2012	Change in %
Development costs	91	81	12.0
Capital expenditure	137	96	41.6
Acquisitions (cash flow)	55	3	n.a.



# Kuhn Group Sustainable plant protection

**BUCHER**





# Kuhn Group

## 2013 highlights

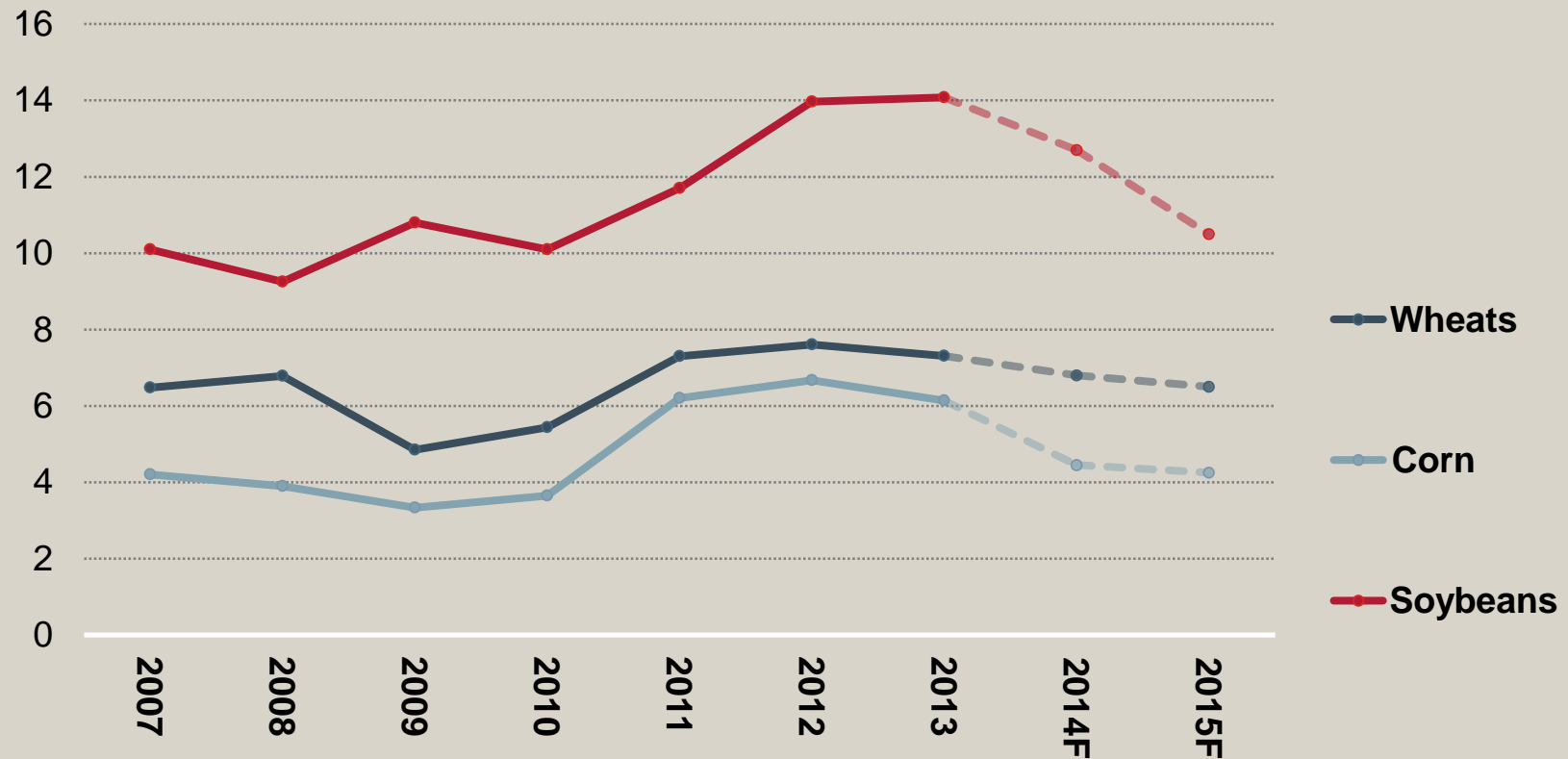
**BUCHER**

- Positive market trend
  - Despite downward trend, prices for agricultural produce remained at a high level in long-term comparison
  - Investment confidence among farmers remained high
  - Delay in growth cycle in springtime, later recovering to large extent
- Successful integration of acquired companies strengthens market position and profitability
- Excellent profitability thanks to various operational factors
- Preliminary contract in 2014 for acquisition of Montana, Brazil, specialists in self-propelled crop sprayers, and fertilising equipment
- High investments in infrastructure, growth and customer training

# Price development soybeans, corn, wheat

USD / bushel

US average prices



Quelle: USDA, Deere

# Kuhn Group

## Key figures

**BUCHER**

CHF million			Change in	
	<b>2013</b>	<b>2012</b>	<b>%</b>	<b>%<sup>2)</sup></b>
Order intake	1 262	1 199	5.2	5.1
Net sales	1 286	1 222	5.2	5.0
Order book	482	492	-1.9	-2.4
Operating profit (EBITDA) <sup>1)</sup>	230	188	22.5	
as % of net sales	17.9%	15.3%		
Operating profit (EBIT) <sup>1)</sup>	191	153	25.0	
as % of net sales	14.9%	12.5%		
Employees at 31 December	4 699	4 495	4.5	
Average employees during year	4 754	4 558	4.3	

<sup>1)</sup> 2012: retrospective restatement owing to first application of IAS 19 (revised)

<sup>2)</sup> Adjusted for currency effects

## Planned acquisition of Montana, Brazil

- Family company in Curitiba, Brazil, with subsidiary in Argentina
- Key figures:
  - Sales 2013: BRL 225 million (CHF 96 million)
  - Two-digit EBITDA margin
  - 600 employees
- Main products (85% of sales):
  - Self-propelled crop sprayers
  - Self-propelled fertilising spreaders
- Complementary dealer network, primarily large scale farms



Self-propelled fertilising equipment



Self-propelled  
crop sprayers

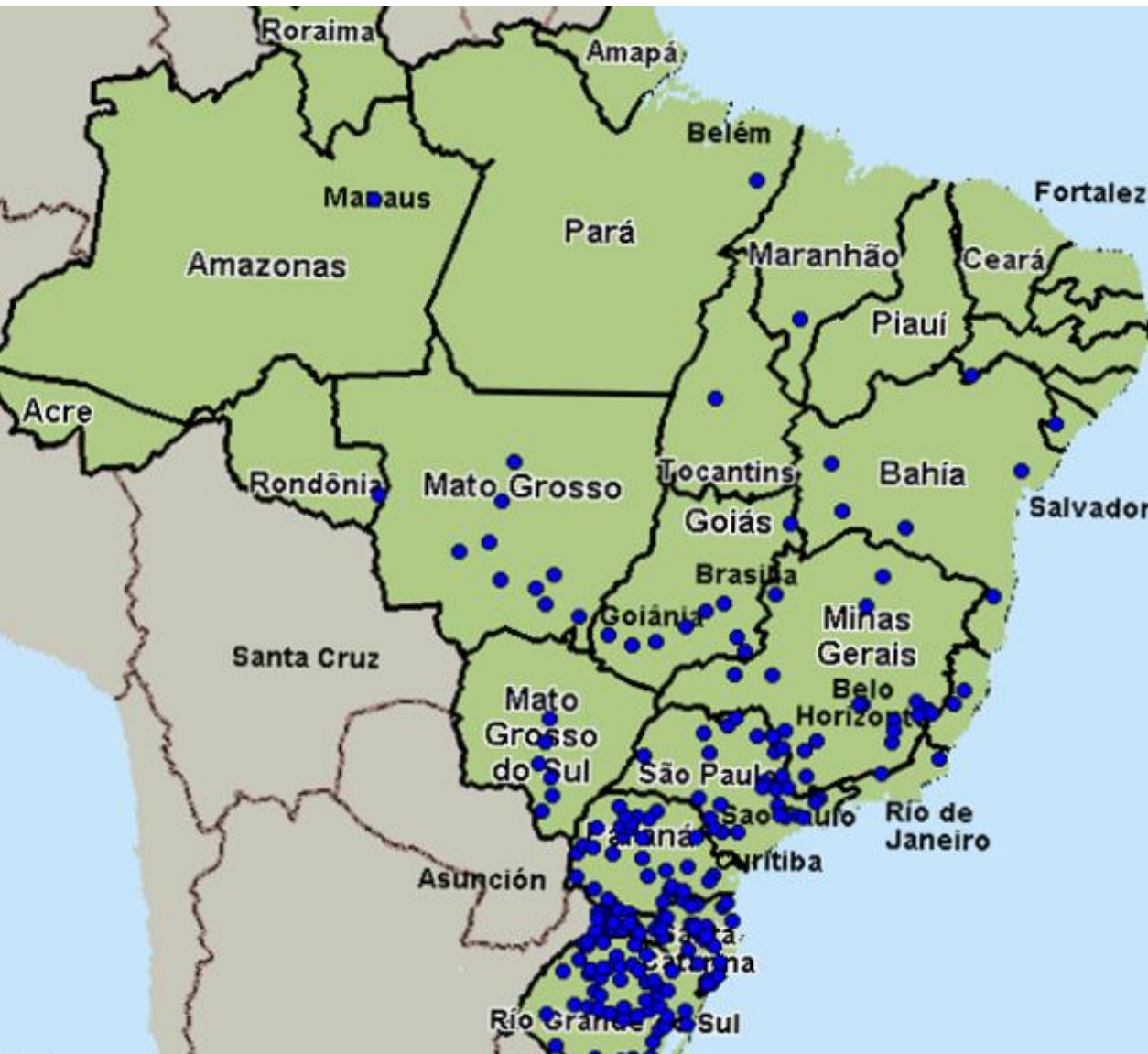


Manufacturing site in Curitiba, Brazil



# Montana dealer network

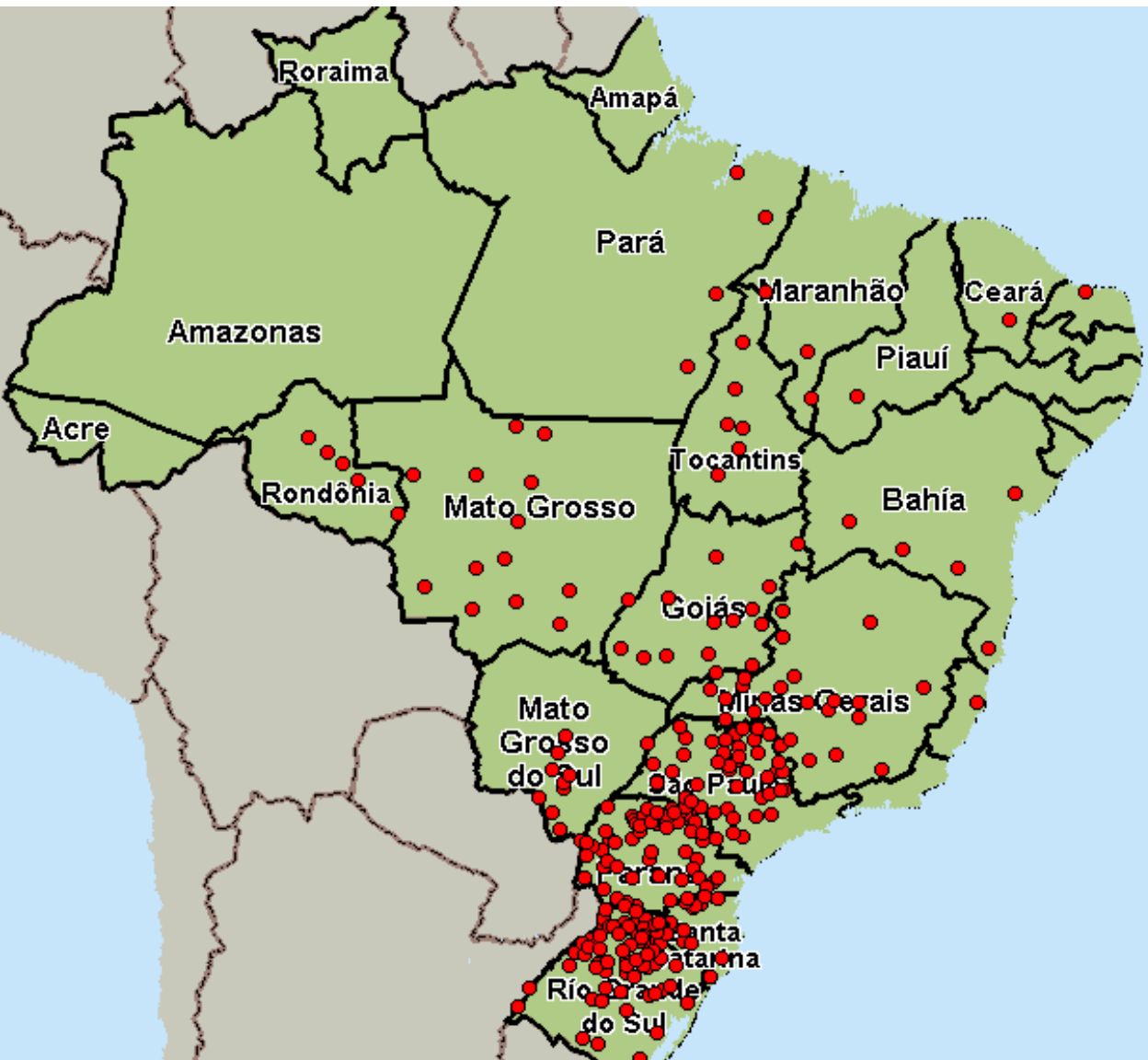
**BUCHER**





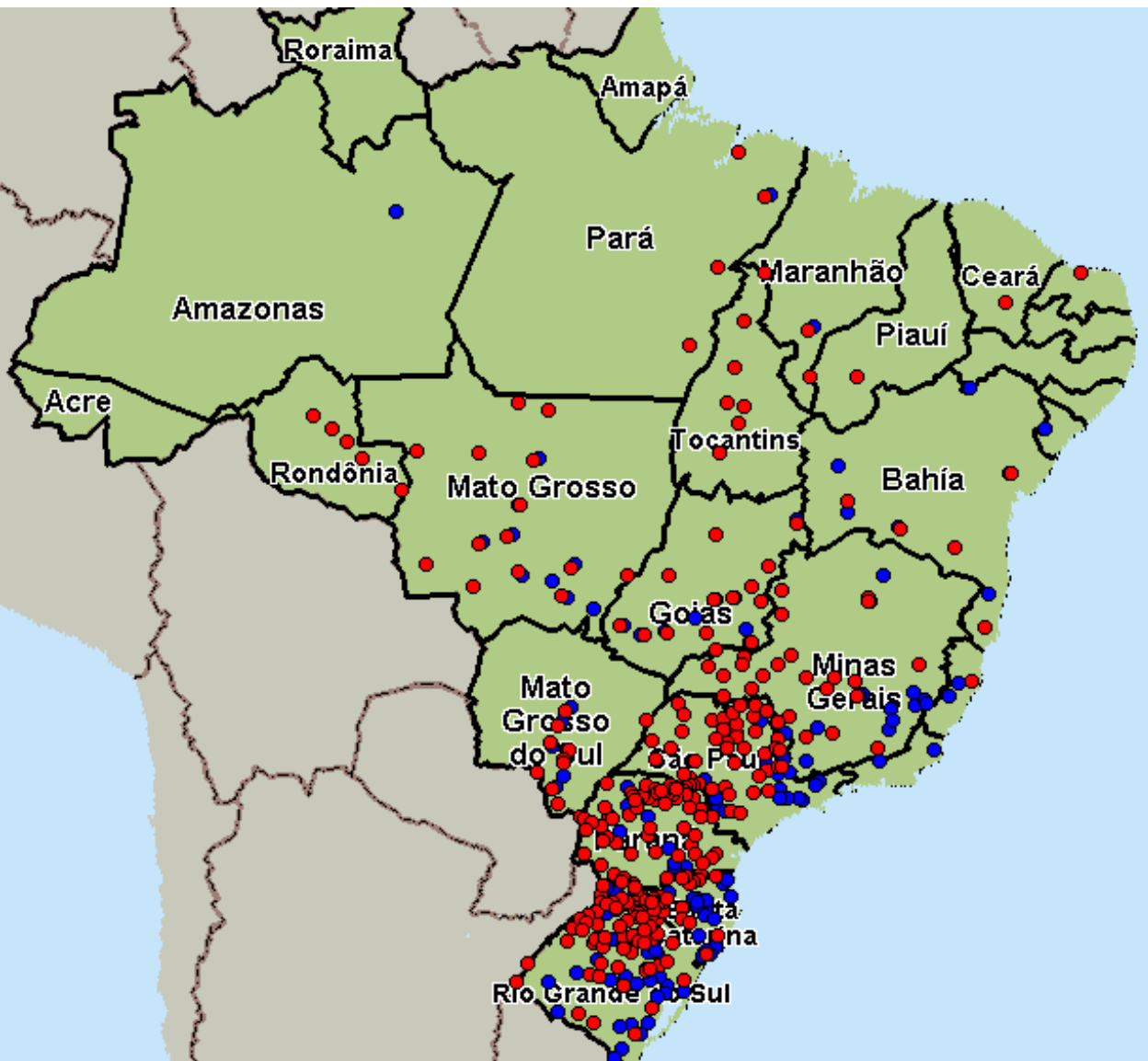
# Kuhn do Brasil dealer network

**BUCHER**



# Combined dealer network

**BUCHER**



# Kuhn Group

## Outlook for 2014

- Long-term prospects still good
- Market environment still positive, but rather subdued demand
  - Favourable income situation for farmers continuing, but slightly lower year on year
  - Main markets: America positive overall, Western Europe with lower demand
  - Normal level of dealer inventories
- Planned acquisition of Montana, Brazil, strengthens market position
  - Self-propelled crop sprayers and fertilising equipment complement product range, particularly the large seeders
  - Access to large agricultural enterprises and strengthening of dealer network
  - Completion expected in first half of year
- Sales on a par with previous year and slightly lower profitability after record margin in previous year

# Bucher Municipal Equipment for safe roads

**BUCHER**



# Bucher Municipal

## 2013 highlights

- Overall stable demand on a low level in Europe
  - Increase in order intake, particularly in Western Europe and Australia
  - Follow-up order worth CHF 19 million from the city of Moscow thanks to excellent handling of major order in 2012
  - First, still tentative signs of recovery in Southern Europe
- Successful merger of production plants in Great Britain and Australia strengthens competitiveness
- Innovation project for emission-free compact sweepers progressing on schedule
- Sale of profitable auxiliary business with hand-driers in Australia, with book profit of CHF 4 million
- Good operating performance with gratifying level of profitability

# Bucher Municipal

## Key figures

**BUCHER**

CHF million			Change in		
	<b>2013</b>	<b>2012</b>	<b>%</b>	<b>%<sup>2)</sup></b>	<b>%<sup>3)</sup></b>
Order intake	393	364	8.0	10.0	11.5
Net sales	383	424	-9.7	-7.9	-6.8
Order book	104	96	8.9	10.9	11.5
Operating profit (EBITDA) <sup>1)</sup> as % of net sales	40 10.5%	46 10.8%	-12.4		
Operating profit (EBIT) <sup>1)</sup> as % of net sales	33 8.6%	39 9.3%	-15.8		
Employees at 31 December	1 523	1 429	6.6		7.7
Average employees during year	1 488	1 478	0.7		0.9

<sup>1)</sup> 2012: retrospective restatement owing to first application of IAS 19 (revised)

<sup>2)</sup> Adjusted for currency effects

<sup>3)</sup> Adjusted for currency, acquisition and disposal effects



# Bucher Municipal Outlook 2014

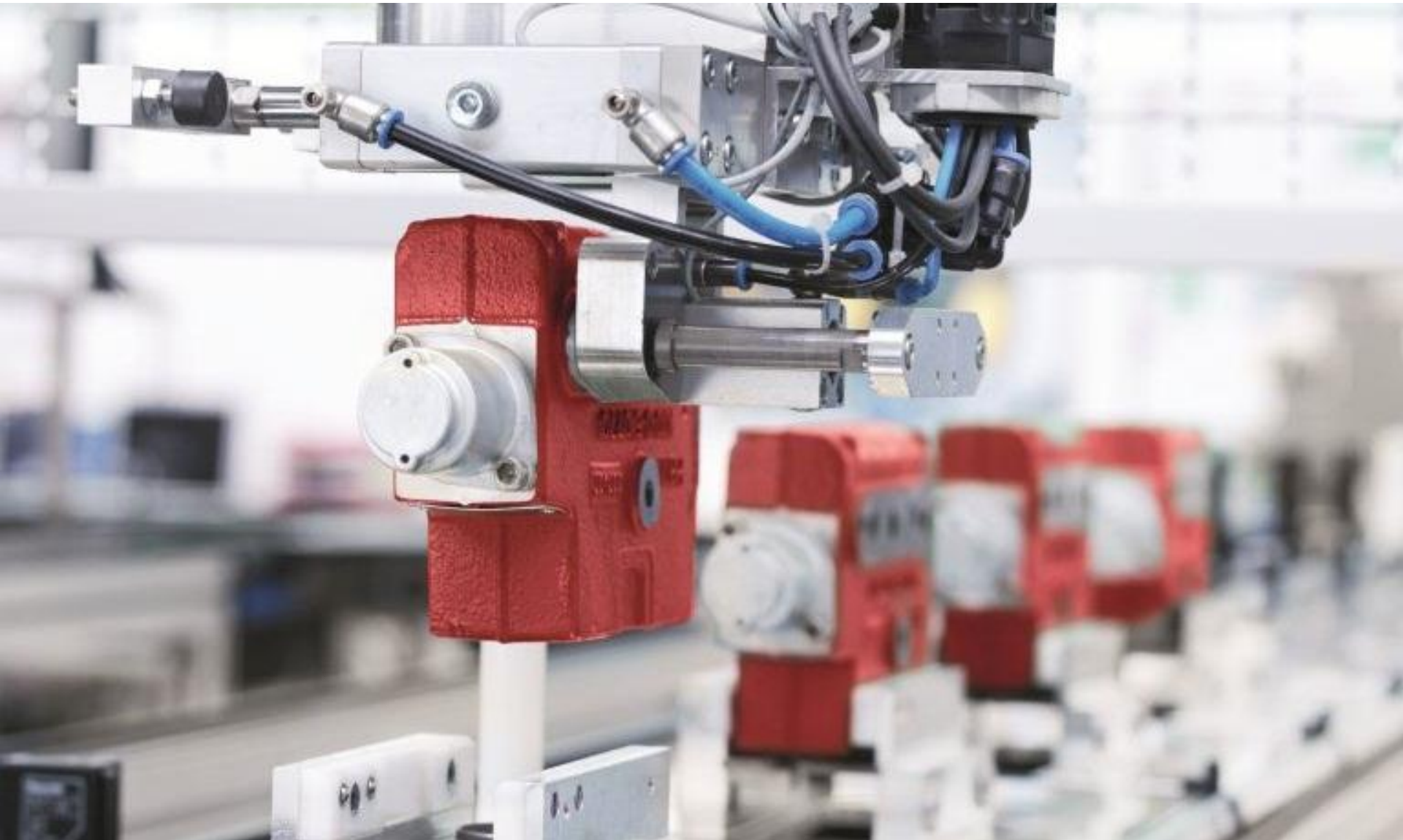
**BUCHER**

- Stable market volume, 30% down on record year of 2008
  - Flexible adjustment of volumes after completion of major order from city of Moscow in 2012
  - First tentative signs of recovery in Southern Europe
  - Follow-up order from city of Moscow in previous year, ensures good start to 2014
- Start of production in Kaluga, Russia, with local manufacture of spreaders
- Sales and operating profit on a par with previous year
- Sales and operating profit, adjusted for the gain of 4 million on disposal of the business with hand-driers, on a par with the previous year

# Bucher Hydraulics

## Maximum precision and efficiency

**BUCHER**



# Bucher Hydraulics

## 2013 highlights

- Varied market environment
  - Western Europe: market positive in mobile machinery, weakening in construction machinery and industrial hydraulics
  - USA: good level of demand sustained, preparation for series production in 2014 for globally active customers
  - China: government reins in construction activity
- Smooth integration of acquisition Ölhydraulik Altenerding, Germany, with synergies in second half of year
- Entry into the Brazilian market through takeover of Eco Sistemas Hyráulica, Porto Alegre
- Good operating performance with increase in sales, operating profit and EBIT margin

# Bucher Hydraulics

## Key figures

CHF million			Change in		
	<b>2013</b>	<b>2012</b>	<b>%</b>	<b>%<sup>2)</sup></b>	<b>%<sup>3)</sup></b>
Order intake	452	386	16.9	16.6	7.4
Net sales	453	407	11.4	11.1	1.4
Order book	69	53	30.9	30.6	13.7
Operating profit (EBITDA) <sup>1)</sup> as % of net sales	62 13.6%	54 13.2%	14.3		
Operating profit (EBIT) <sup>1)</sup> as % of net sales	42 9.4%	37 9.0%	16.2		
Employees at 31 December	1 984	1 647	20.5		3.2
Average employees during year	1 939	1 700	14.1		-1.2

<sup>1)</sup> 2012: retrospective restatement owing to first application of IAS 19 (revised)

<sup>2)</sup> Adjusted for currency effects

<sup>3)</sup> Adjusted for currency, acquisition and disposal effects

# Bucher Hydraulics

## Outlook for 2014

- Uncertainties about economic situation
  - Developments in Germany decisive for hydraulics sales in Europe
  - Rest of Europe, particularly France and Italy, planning difficult
  - Continuation of good level of demand expected in USA
- Start of series production in Europe and North America underpins sales development
- Recovery in China in the second half of the year could give additional impetus
- Development of new platform in Brazil offers short- and medium-term growth opportunities
- Slight increase in sales and further improvement in operating profit expected

# Bucher Emhart Glass

## Quality for consumers

**BUCHER**





# Bucher Emhart Glass

## 2013 highlights

- Marked project-related fluctuations in capacity utilisation
- Varied market development
  - Demand trend hesitant in first half and then positive in second half
  - Stable in Europe and America
  - Fewer major projects, particularly in Asia
  - Slump in demand in China
- First commercial tempered glass system to Vetropack started operations at end of year
- Realignment of capacities and leverage of worldwide presence
  - Expansion of capacity in USA and Europe
  - Expanded capacity in Malaysia came on stream ahead of plan
  - Start of component sourcing from division's own plants in Malaysia and China
  - Completion of project expected by end of 2015/ beginning of 2016
- Worldwide cooperation agreement with Owens-Illinois came into force in September

# Bucher Emhart Glass

## Key figures

**BUCHER**

CHF million			Change in	
	<b>2013</b>	<b>2012</b>	<b>%</b>	<b>%<sup>2)</sup></b>
Order intake	354	339	4.5	2.7
Net sales	347	367	-5.4	-7.1
Order book	119	109	8.6	6.7
Operating profit (EBITDA) <sup>1)</sup> before restructuring costs	29	21	35.7	
Operating profit (EBITDA) <sup>1)</sup> as % of net sales	29 8.2%	12 3.4%	129.8	
Operating profit (EBIT) <sup>1)</sup> as % of net sales	17 4.8%	1 0.3%	n.a.	
Employees at 31 December	1 864	2 027	-8.0	
Average employees during year	1 913	2 074	-7.8	

<sup>1)</sup> 2012: retrospective restatement owing to first application of IAS 19 (revised)

<sup>2)</sup> Adjusted for currency effects

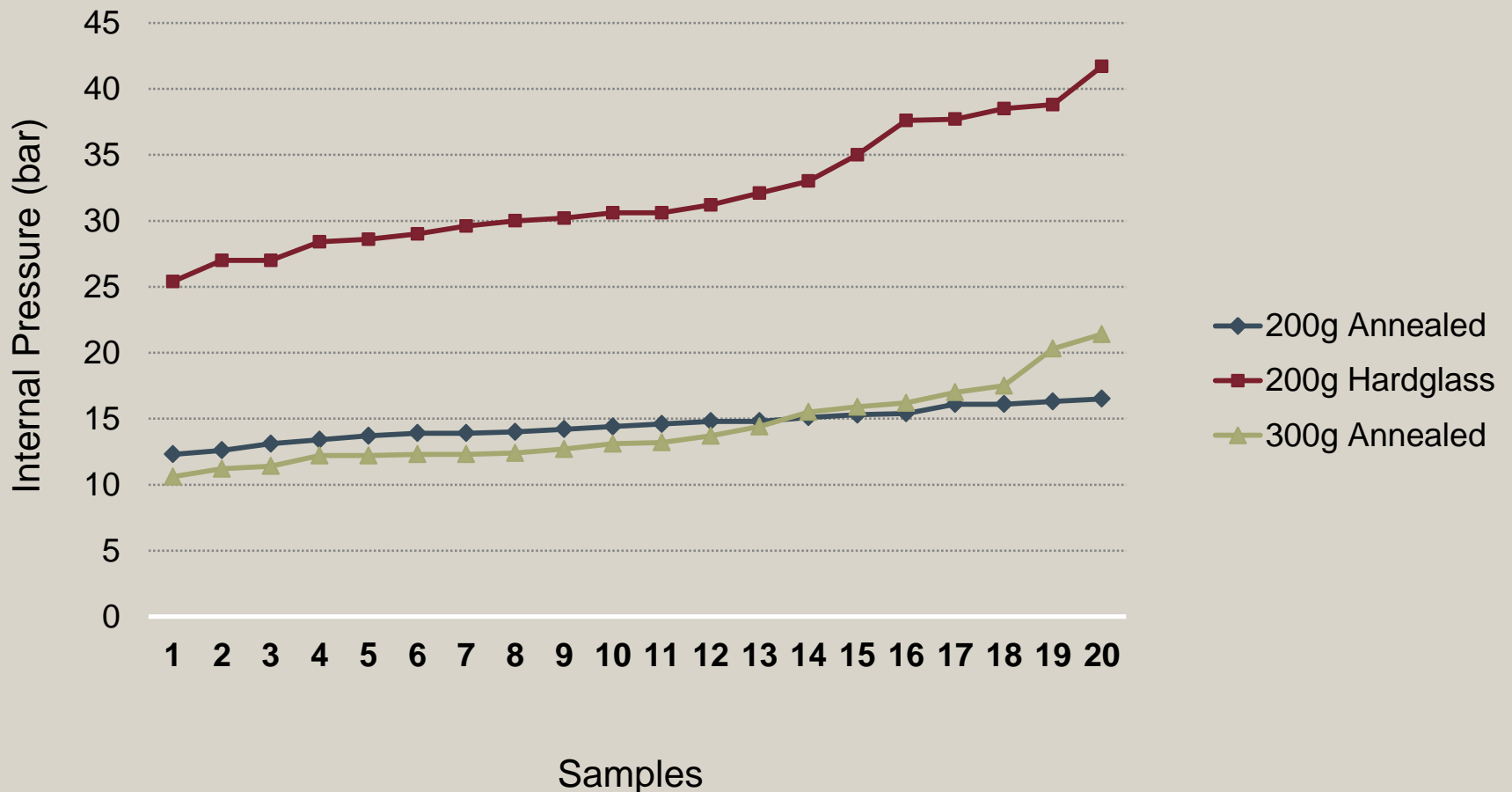
## Functional production line installed at Vetropack Pöchlarn, Austria, since mid 2013

1. May 2013 Finalisation of installation of hard glass production line at Pöchlarn
2. June 2013 Start of first production trials
3. Following months Continuous improvements on tempering lehr and hard glass equipment
4. October 2013 First stable production run of 0.33l bottle

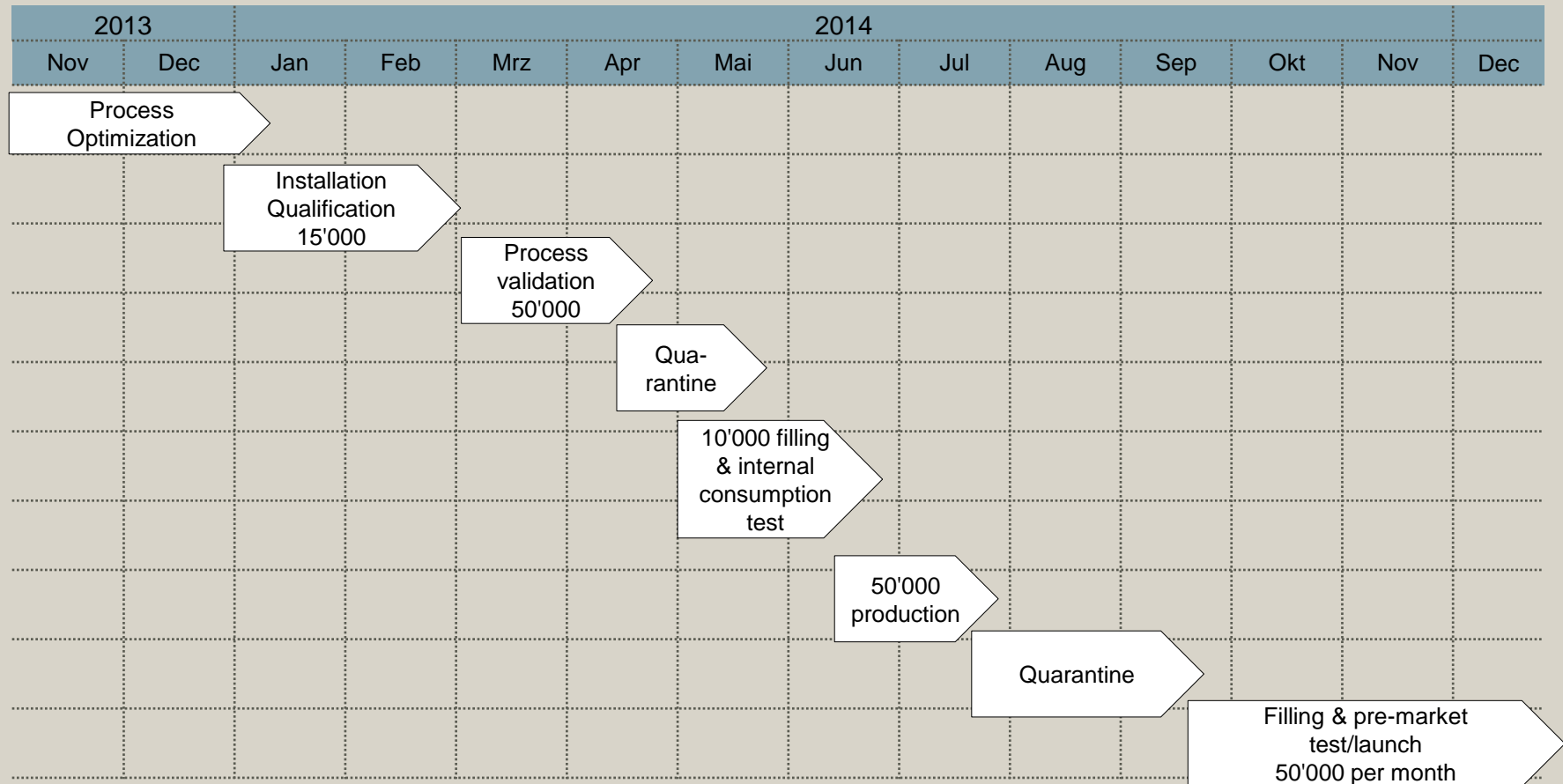


## Typical result - Hardglass bottles with significant strength increase over annealed bottles

Burst pressure after 25 filling line trips



## Milestones until full market launch of first bottle



March 2015: Full market launch of 0.33l and 1.0l bottle with advertisement and promotion

# Bucher Emhart Glass

## Outlook for 2014

- Market environment expected to be comparable with previous year
  - Continuation of good level of demand in USA
  - Recovery in Europe
  - Stable spare part and service business
  - Persistent weakness of Asian markets, especially in China
- Control systems, spare parts and new machines for Owens-Illinois could provide growth momentum
- Savings arising from the realignment project improve profitability
- Modest increase in sales and further improvement in operating profit





Winemaking equipment



Fruit juice processing systems and drying equipment



Agricultural distributorship in Switzerland



Automation technology and control systems

# Bucher Specials

## 2013 highlights

- Stable market environment overall
  - Upturn in demand for winemaking equipment
  - Positive performance in equipment for fruit juice processing, dewatering sewage sludge and beer filtration
  - Sales of equipment for dewatering sewage sludge exceeded CHF 10 million for the first time
  - Buoyant market for the Swiss distributorship for agricultural machinery
  - Contribution to sales from automation technology not yet significant; consolidated as of November
- Operational improvements through streamlining in administrative area and investments in logistics
- Gratifying rise in sales and operating profit

# Bucher Specials

## Key figures

CHF million			Change in		
	<b>2013</b>	<b>2012</b>	<b>%</b>	<b>%<sup>2)</sup></b>	<b>%<sup>3)</sup></b>
Order intake	257	202	27.3	26.9	12.4
Net sales	244	206	18.6	18.0	4.3
Order book	76	46	65.7	64.8	26.9
Operating profit (EBITDA) <sup>1)</sup> as % of net sales	29 11.9%	20 9.6%	47.7		
Operating profit (EBIT) <sup>1)</sup> as % of net sales	24 10.0%	17 8.1%	47.0		
Employees at 31 December	785	506	55.1		2.0
Average employees during year	631	510	23.7		8.0

<sup>1)</sup> 2012: retrospective restatement owing to first application of IAS 19 (revised)

<sup>2)</sup> Adjusted for currency effects

<sup>3)</sup> Adjusted for currency and acquisition effects



## Jetter - Market entry into automation technology

### Industrial automation

- Glass container production
- Window manufacturing
- Filling systems
- Packaging systems
- Assembly / handling systems



### Mobile automation

- Agricultural machinery
- Municipal vehicles



# Bucher Specials Outlook for 2014

- Market outlook
  - Upturn in winemaking equipment
  - Stabilization on high level in fruit juice processing equipment
  - Increase in projects for dewatering sewage sludge and beer filtration
  - Swiss distributorship for agricultural machinery on a par with the very high level of the previous year
  - Strong sales growth through consolidation of Jetter automation technology, with above-average profitability
- Bucher Specials expects strong growth in sales and operating profit at the same range as the previous year

- No significant change in economic environment anticipated
- Confident mood in market segments served by Bucher Industries
  - Agricultural machinery: subdued demand at very high level
  - Municipal vehicles: stable outlook
  - Demand for hydraulic systems and glass-forming machinery on a par with previous year
  - Bucher Specials expects buoyant demand to continue, boosted by acquisition of Jetter automation technology
  - For Group overall, slight increase in sales and moderate decrease in profitability compared with record figures in 2013



# Annual general meeting 2014

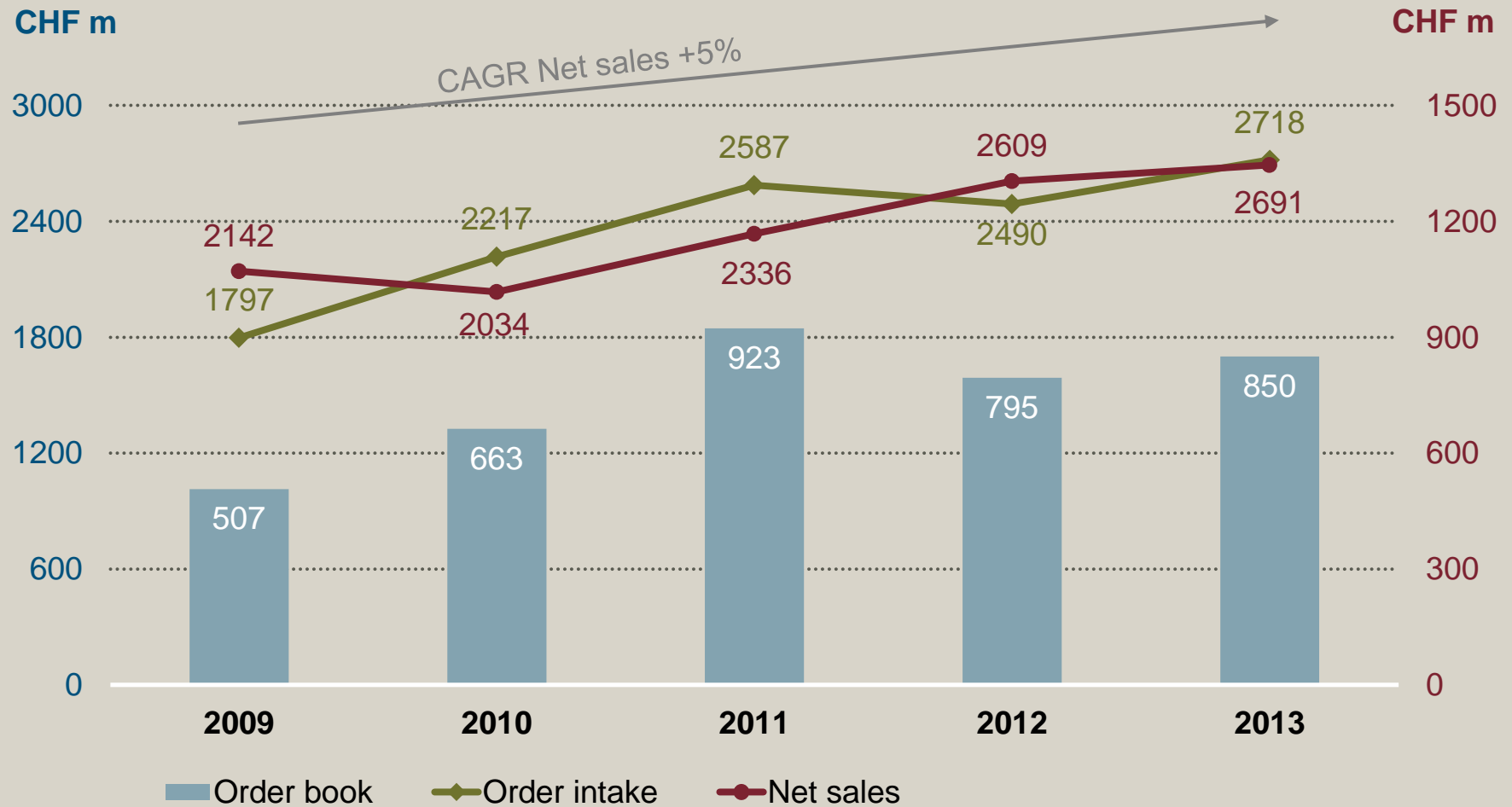
## Agenda and proposals

- Standard agenda as in previous year
- Dividend
  - CHF 6.50 per share (previous year CHF 5.00)
  - Yield of 2.9% relative to average share price for the year 2013 of CHF 226.00
- Elections in accordance with Ordinance Against Excessive Compensation (VegüV)
  - Re-election of all members
  - Election of Valentin Vogt as a new member
- Amendment of the articles of association; Ordinance Against Excessive Compensation (VegüV); Law on the Custody and Transfer of Securities Held with an Intermediary (BEG); Auditing and Accounting Act (RRG)
- The annual general meeting will begin at 3.00 pm, an hour earlier than usual

# Financial review 2013

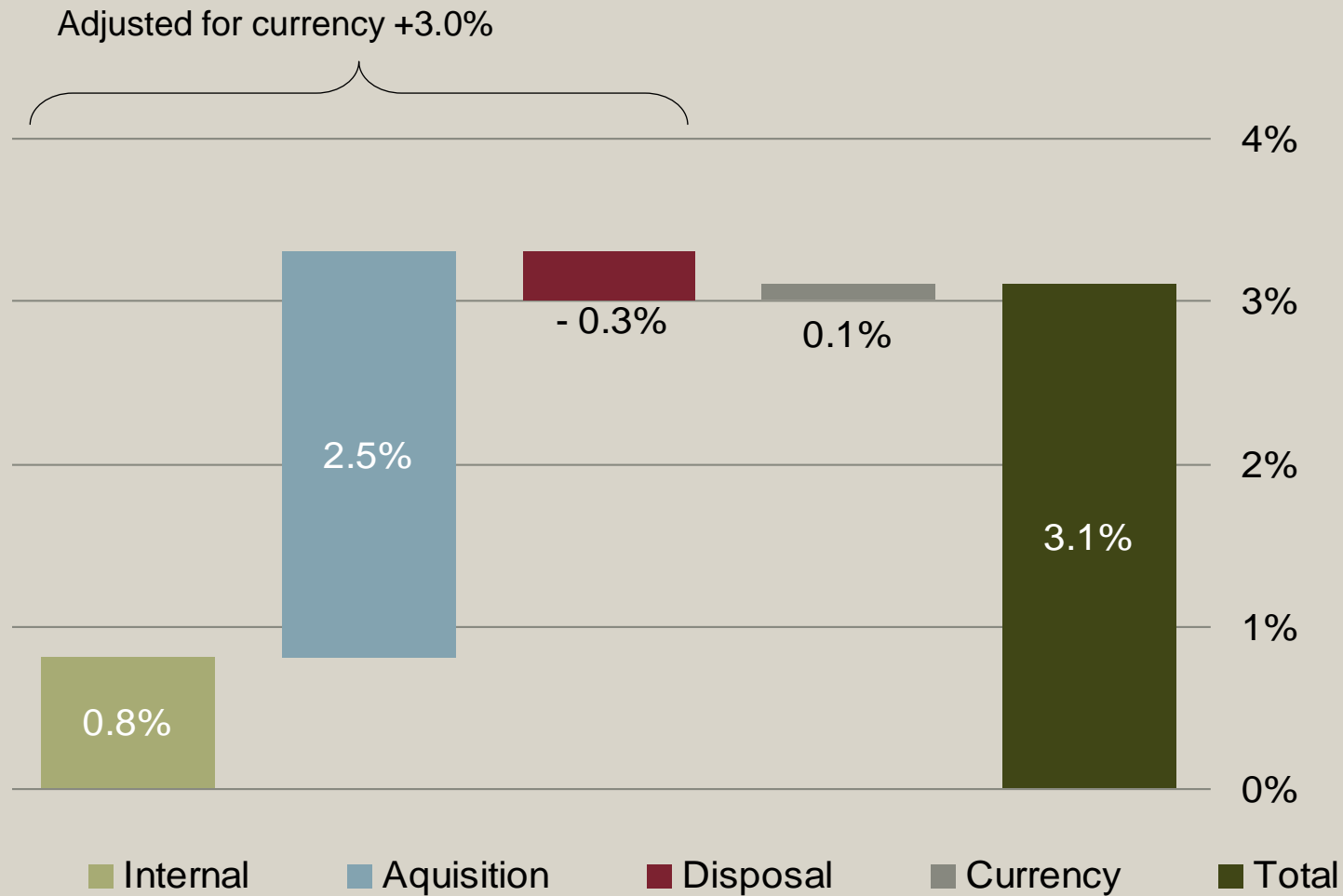
# Order book, order intake and net sales

**BUCHER**



# Impact on net sales 2013

**BUCHER**



# Acquisitions 2013

CHF million	Date of acquisition	Net sales		Employees <sup>1)</sup> 31.12.2013
		since acquisition <b>2013</b>	pro forma <b>2013</b>	
Bucher Hydraulics Erding (Bucher Hydraulics)	February 2013	36	36	221
Bucher Filtrox Systems (Bucher Specials)	February 2013	20	20	39
Bucher Hidráulica (Bucher Hydraulics)	July 2013	4	8	64
Jetter (Bucher Specials)	November 2013	8	50	230
<b>Total</b>		<b>68</b>	<b>114</b>	<b>554</b>
<b>Interdivisional</b>		<b>-4</b>	<b>-23</b>	
<b>Total Bucher Industries</b>		<b>64</b>	<b>91</b>	
<b>Total purchase price for all acquisitions CHF 63 m</b>				

<sup>1)</sup> Expressed as full time equivalents

# Disposals 2013

CHF million	Date of disposal	Net sales		Employees <sup>1)</sup> 31.12.2013
		since disposal <b>2013</b>	pro forma <b>2013</b>	
MacDonald Johnston Hand-drier business (Bucher Municipal)	May 2013	-8	-10	15
<b>Total sales price CHF 5 million, gain CHF 4 million</b>				

<sup>1)</sup> Expressed as full time equivalents



# Consolidated income statement

**BUCHER**

CHF million	2013	2012 <sup>1)</sup>	Change in %
Net sales	2 691	2 609	3.1
<b>Operating profit (EBITDA)</b> as % of net sales	<b>371</b> 13.8%	<b>307</b> 11.8%	20.9
Depreciation	-67	-59	12.7
Amortisation	-17	-16	8.1
<b>Operating profit (EBIT)</b> as % of net sales	<b>287</b> 10.7%	<b>232</b> 8.9%	23.9
Net financial items	-11	-13	9.5
Income tax expense	-80	-63	-26.0
<b>Profit for the year</b> as % of net sales	<b>196</b> 7.3%	<b>156</b> 6.0%	25.8
Basic earnings per share in CHF	19.64	15.52	26.5

<sup>1)</sup> 2012: retrospective restatement owing to first application of IAS 19 (revised)

# Net financial items

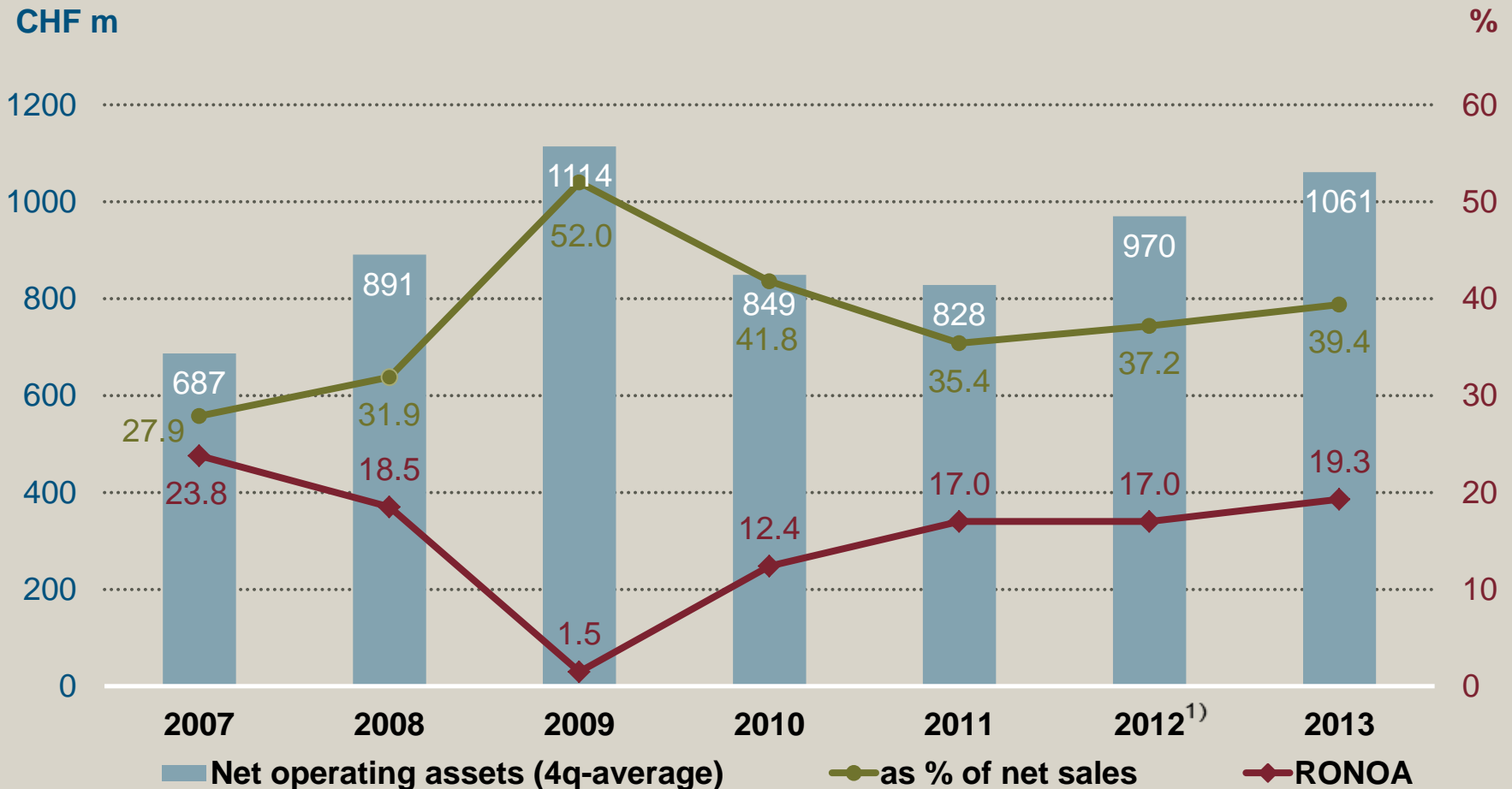
CHF million	2013	2012	Change
Net interest expense	-12	-13	1
Net gain on financial instruments	7	1	6
Foreign exchange gains and losses	-7	-1	-6
Other financial items	1	0	1
<b>Net financial items</b>	<b>-11</b>	<b>-13</b>	<b>2</b>

CHF million	2013	2012 <sup>1)</sup>	Change
Profit before tax	276	219	57
<b>Income tax expense</b>	-80	-63	-17
Effective tax rate	28.8%	28.8%	

<sup>1)</sup> 2012: retrospective restatement owing to first application of IAS 19 (revised)

# Net operating assets (NOA) und RONOA after tax

**BUCHER**

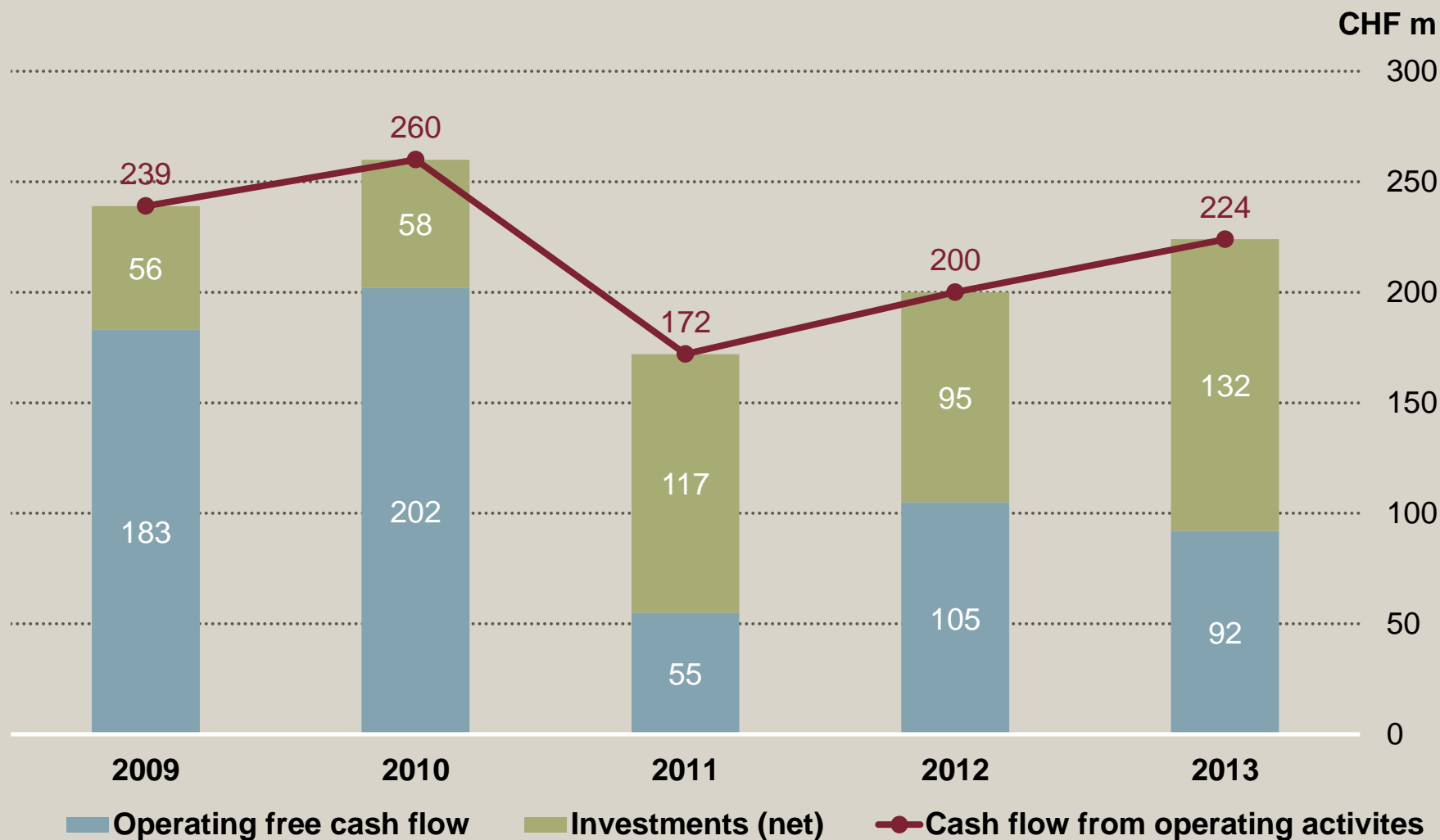


<sup>1)</sup> 2012: retrospective restatement owing to first application of IAS 19 (revised)

# Operating free cash flow and investments

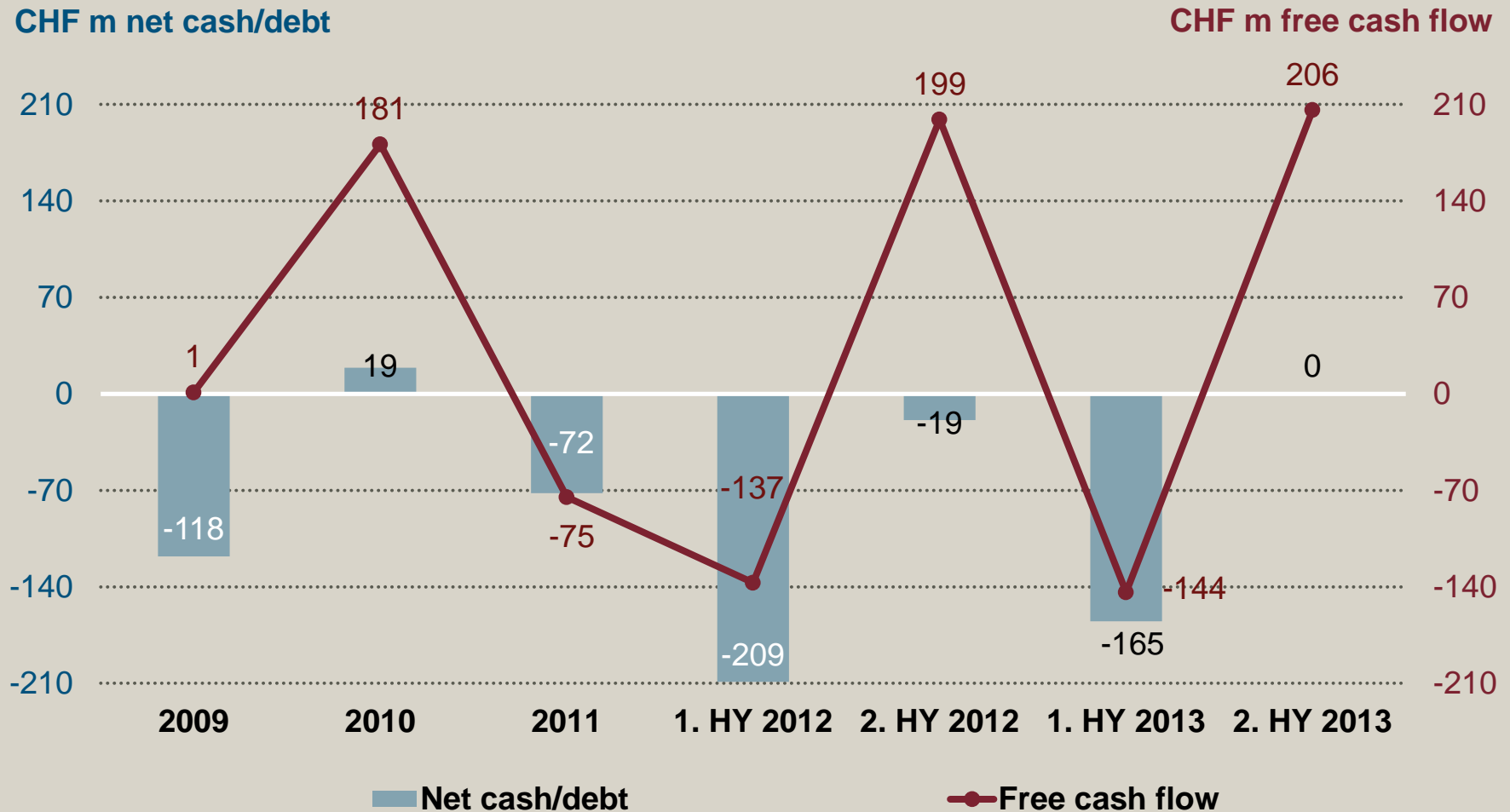
## Cash flow from operating activities

**BUCHER**



# Net cash/debt and free cash flow

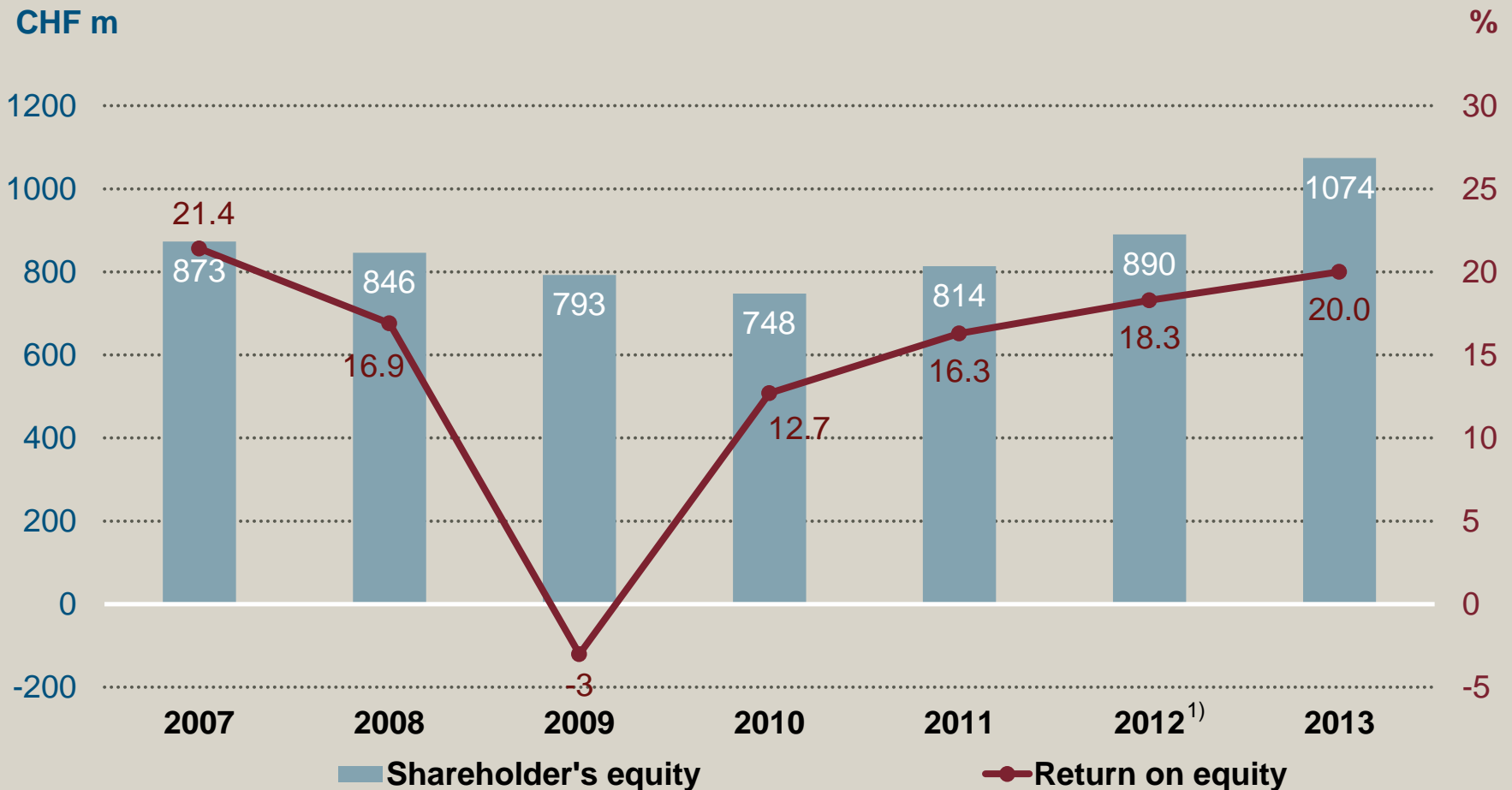
**BUCHER**





# Shareholders' equity and return on equity

**BUCHER**



Impairment charges: 2008 CHF 39 million, 2009 CHF 86 million

<sup>1)</sup> 2012: retrospective restatement owing to first application of IAS 19 (revised)

# Many thanks.

## Your Contacts:

Philip Mosimann, CEO

Roger Baillod, CFO

Tel. +41 43 815 80 80

[media@bucherindustries.com](mailto:media@bucherindustries.com)

[www.bucherindustries.com](http://www.bucherindustries.com)

